

CARMAX, INC.

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

Purpose

The purpose of the Committee will be to:

- Identify individuals qualified to become members of the Board;
- Recommend to the Board director nominees to be presented at the annual meeting of shareholders and nominees to fill vacancies on the Board, whether caused by retirement, resignation, death, increase in the number of authorized directors or otherwise;
- Assist the Board in the oversight of management succession planning, including succession planning for the Chief Executive Officer in the event of emergency, death or resignation; and
- Develop and recommend to the Board corporate governance principles applicable to the Company.

Membership and Qualifications

The Nominating and Governance Committee is a committee of the Board of Directors and will regularly report on actions taken by it to the full Board. The full Board will elect the members and Chair of the Committee, who shall serve at the pleasure of the Board.

The Committee shall consist of at least three members. All Committee members must meet the current and proposed independence requirements of the New York Stock Exchange. No Committee member may receive compensation from the Company other than directors' fees without prior disclosure to, and approval by, the Board.

Authority

The Committee may form and delegate authority to subcommittees when appropriate.

The Committee is authorized to obtain advice and assistance as it believes necessary from corporate personnel and from external legal, accounting and other advisors. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms.

Duties and Responsibilities

The Committee's duties and responsibilities will be to:

1. Establish criteria for the selection of new directors. In carrying out this responsibility, the Committee will at least annually consider principles to be applied in filling vacancies and planning for Board succession.
2. Recommend to the Board the nominees for director to be elected by the shareholders at the Annual Meeting of Shareholders.
3. Consider and make recommendations to the Board regarding shareholder nominations for directors that are submitted in accordance with the Company's by-laws and applicable law.
4. Direct the search for, and evaluate qualifications of, possible candidates for nomination to the Board, with such assistance and input as it may request from (a) an executive search firm or other independent consultant or (b) management of the Company or other members of the Board.
5. Recommend for election by the full Board the memberships and chairs of all standing committees of the Board.
6. Develop and recommend to the Board corporate governance principles applicable to the Company; evaluate such principles at least annually; report the results of the evaluation to the Board; and recommend to the Board any changes in such principles the Committee believes appropriate.
7. At least annually, evaluate the performance of the Board in the exercise of its oversight responsibilities, soliciting input from all members of the Board and, as appropriate, from management of the Company and review the results of the evaluation with the Board.
8. Review the status of each member of the Board and make recommendations to the Board with respect to the Board's determination whether Board members meet the independence requirements of the New York Stock Exchange. A director will not be independent if, within the preceding five years: (i) the director was employed by the Company; (ii) an immediate family member of the director was employed by the Company as an officer; (iii) the director was employed by or affiliated with the Company's independent auditor; (iv) an immediate family member of the director was employed by the Company's independent auditor as a partner, principal or manager; or (v) a Company executive officer was on the board of directors of a company which employed the Company's director, or which employed an immediate family member of the director as an officer.

9. Make recommendations to the Board, from time to time, concerning the appropriate size of the Board.
10. Review, and recommend to the Board whether to accept, a resignation tendered by (a) an officer of the Company serving as a member of the Board, when the officer ceases to be an officer of the Company or (b) a non-management director when there has been a substantial change in the principal employment and/or responsibility of the director. In reviewing and making its recommendation to the Board, the Committee shall consider whether the director's continued service on the Board is in the Company's best interest.
11. Review periodically, with input from the Chief Executive Officer: (a) candidates to assume the position of Chief Executive Officer and other designated senior management positions, including succession planning for the Chief Executive Officer in the event of an emergency, death, or resignation, and (b) the development and/or recruitment plans for internal and external candidates for such positions. The Committee shall report the results of these reviews to the Board, which shall have ultimate responsibility for the selection of the Chief Executive Officer and planning for management succession.
12. Evaluate the Committee's own performance annually and report the results of the evaluation to the Board.
13. Review this charter annually and update as necessary (with any amendments subject to approval by the Board).